

REMARKS

The enclosed is responsive to the Examiner's Office Action mailed on June 9, 2009. At the time the Examiner mailed the Office Action, claims 1-3, 5-18, 20, 22 and 23 were pending. By way of the present response, applicant has: 1) amended claims 1-3, 5-8, 12-17, and 22-23; 2) added no claims; and 3) canceled no claims. Applicant has amended the claims to clarify the claimed subject matter. No new matter has been added. Reconsideration of this application as amended is respectfully requested.

Claim Rejections – 35 U.S.C. § 101

Claims 1-3 and 5-14 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. While applicant submits that the claim previously recited a particular apparatus in the body of the claim, applicant has amended claim 1 to further clarify that claim 1 is tied to a particular apparatus. For example, claim 1 recites

receiving, at a computer server, registration information from an investment fund wanting to receive liquidity services from a liquidity vehicle for meeting financial obligations resulting from the redemption of at least one share of the at least one investment fund;
determining, by the computer server, that the registered investment fund has a net share outflow...

(Claim 1) (emphasis added).

Claims 2-3 and 5-14 are dependent upon claim 1. Accordingly, applicant respectfully submits that the rejection of claims 1-3 and 5-14 under 35 U.S.C. § 101 has been overcome.

Claim Rejections – 35 U.S.C. § 103

Claims 1-3, 5-18, 20 and 22-23 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 7,035,820 by Goodwin et al. (hereinafter “Goodwin”) in view of U.S. Patent Publication No. 2003/0074300 by Norris (hereinafter, “Norris”) and further in view of Critics Say Government’s Market Stabilization Policy Short-Sighted in the Korea Herald (hereinafter, “the Herald”).

Goodwin describes a data processing system for buying and selling commercial loans on the secondary whole loan market, allowing sellers to quickly and effectively reach a broad and qualified investor audience and reduce the significant time and cost associated with conducting traditional due diligence. (Goodwin, col. 1, line 17 – col. 2, line 19). Applicant does not admit that Goodwin is prior art and reserves the right to swear behind Goodwin at a later date.

Norris describes a repurchase agreement lending facility for debt issued by a business (i.e., bonds) in order to allow the business to increase the ease of selling the debt without movement in price due to the debt going “special” and being “squeezed.” (Norris, paragraphs [0002] – [0007]). Applicant does not admit that Norris is prior art and reserves the right to swear behind Norris at a later date.

The Herald describes a South Korean government market stabilization package to provide liquidity to investment trust companies and brokerage houses through lowering interest rates, loaning money from reserves, and repurchase agreements. (The Herald, pages 1-2, paragraph 2).

The References Teach Away from One Another

Applicant respectfully submits that Goodwin does not teach or suggest a combination with Norris and the Herald and that neither Norris nor the Herald teach or suggest a combination with Goodwin. Furthermore, Norris and the Herald teach away from one another. A squeeze, as described in Norris, occurs when investors are trying to buy large quantities of a bond. In contrast, the Herald describes a government intervention in response to investors rushing to cash out of large quantities of an investment.

The Examiner alleges that all of three references describe “the providing of liquidity.” (Office Action dated 6/9/09, page 11). Applicant disagrees and submits that Norris and the Herald deal with two differing concepts of liquidity. Norris discloses market liquidity: keeping a stable price for a security so that the security will be purchased on the market. The Herald discloses financial liquidity for investment trust companies in order for the companies to be able to pay out redemptions made by investors. It is respectfully submitted that Norris and the Herald disclose opposing financial situations.

Applicant submits that a proposed combination of references cannot change the principle of operation of a reference. (MPEP §2143.01 VI.). Given that the two references disclose opposing financial situations, the combination of Norris and the Herald would require completely modifying or ignoring the principle of operation of one or the other. The commonality of use of term “liquidity” does not overcome the two references’ fundamentally opposed purposes and goals.

Applicants respectfully submit that the rejection is the result of impermissible hindsight reconstruction, using applicants' claims as a frame while selecting components from differing references to fill the gaps of this mosaic obviousness argument. (see *Interconnect Planning Corp. v. Feil*, 774 F2d 1132, 1143 (Fed. Cir. 1985)). The Examiner argues that "[e]ach of the systems are used for providing liquidity to a market through the transfer of shares and the exchange of funds." (Office Action dated 6/9/09, page 11). Applicant disagrees and submits citing the fact that varying references, in one way or another, discuss the sale of a share does not amount to an articulated reasoning with some rational underpinning to combine the references. Additionally, applicant submits that the Examiner's categorization of the references systems are used for providing liquidity oversimplifies and overlooks the details of the references themselves. Goodwin describes a system to facilitate the buying and selling of secondary loans over the internet because "[t]rading and originating commercial loans currently is handled in a costly, labor-intensive, and time-consuming manner. The lack of a centralized clearing mechanism for commercial loans hampers both sellers and buyers of commercial loans." (Goodwin, col. 1, lines 40-44). Norris describes a repurchase agreement lending facility for bonds in order to allow the business to increase the ease of selling the debt without movement in price due to the debt going "special" and being "squeezed." (Norris, paragraphs [0002]-[0007]). The Herald describes a government bailout to enable banks to buy bonds via repurchase agreements. (Herald, pages 1-2). The Herald, in contrast to Goodwin and Norris, describes a one-time bailout to stabilize a market not a system or method for facilitating buying and selling of shares. The motivation to combine components from these

references is based upon impermissible hindsight gleaned only from applicants' disclosure. "It is impermissible to use the claimed invention as an instruction manual or 'template' to piece together the teachings of the prior art so that the claimed invention is rendered obvious ... 'one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention.'" (*In re Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992)).

Accordingly, it is respectfully submitted that it would be impermissible hindsight to combine Goodwin, Norris, and the Herald.

The Combination of Goodwin, Norris, and the Herald fails to disclose all of the features of independent claims 1, 15, 16, and 17.

Even if Goodwin, Norris, and the Herald were combined, the combination would fail to disclose

determining ... that the registered investment fund has a net share outflow, wherein the net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time.

(Claim 1).

Applicants agree with the Examiner that neither Goodwin nor Norris discloses a registered investment fund having a net share outflow over a predetermined amount of time. Accordingly, Goodwin and Norris fail to disclose determining that a registered investment fund has a net share outflow. The Examiner, however, relies upon the Herald as allegedly describing a net share outflow. The Herald, however, only states

that “banks will help cash-strapped investment trust companies and brokerage houses through repurchase agreements” and that the “central bank will buy bonds from investment trust companies if withdrawals are greater than expected.” (Herald, Abstract and page 2). None of the references discloses determining that a registered investment fund has an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time. “In determining the differences between the prior art and the claims, the question under 35 U.S.C. 103 is not whether the differences themselves would have been obvious, but whether the claimed invention as a whole would have been obvious.” (MPEP 2141.02 citing *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983)). Applicant respectfully submits that the present rejection fails to consider the claim as a whole, improperly distills the claim to a “gist,” and that “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” (MPEP §2141.02 and §2143.03 quoting *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970)). Each term in a claim must be, where reasonably possible, given meaning. (see *In re Greene*, 22 F.3d 1104). Applicant requests that the Examiner consider all of the claim language, e.g., “an excess number of shares being redeemed, **excluding shares redeemed by the liquidity vehicle**, in comparison to a number of shares being purchased, **excluding shares purchased by the liquidity vehicle, over a predetermined amount of time.**” (Claim 1)(emphasis added).

Additionally, applicant submits that the combination of Goodwin, Norris, and the Herald fails to disclose

prompting, by the computer server in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle

(Claim 1).

The Examiner alleges that Goodwin discloses prompting an investment fund to offer shares to the liquidity vehicle. Applicant disagrees and submits the citations provided by the Examiner describe alerts/notifications for sellers but do not disclose prompting an investment fund to sell shares. For example, Goodwin discloses notifying potential sellers “whenever a Buyer has expressed interest in a financial product” and “when events impact his financial product” including “changes in valuation, confirmation of financial product pricing by the Analyzer, queries from Buyers, Bids made (highest Bid information).” (Goodwin, Col. 12 lines 20-25 and Table 1). Goodwin does not disclose prompting an investment fund to sell in response in response to the determination that the registered investment fund has a net share outflow.

Norris also fails to disclose this limitation. Norris does not describe prompting of an investment fund, or any other potential seller, in response to any event.

The Herald describes a government measure that includes banks helping cash-strapped trust companies through repurchase agreements if investors rush to cash out. The Herald discusses an infusion of \$32 billion in reserves to be used as a bailout, and then if “the amount is insufficient,” banks will help with repurchase agreements. (The Herald, page 1, Abstract and page 2, first paragraph) (emphasis added). Therefore, the Herald describes repurchase agreements being made in response to the bailout being insufficient. Furthermore, the Herald does not discuss prompting investment trust

companies to sell or that such a prompting would occur in response to a number of shares being redeemed *over a predetermined amount of time*.

Applicants submit that the present rejection fails to consider the claim as a whole, improperly distills the claim to a “gist,” and that, instead, “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” (MPEP §2141.02 and §2143.03 quoting *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970)). Each term in a claim must be, where reasonably possible, given meaning. (see *In re Greene*, 22 F.3d 1104). Applicant requests that the Examiner consider all of the claim language, e.g., “prompting, in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle.” (Claim 1). The Examiner has alleged a combination of a vague concept from the Herald of repurchase agreements to provide liquidity with the general concept of buyer/seller alerts from Goodwin. For example, the Examiner states that “Goodwin does not provide such alerts and notifications without purpose, but for the purpose of enabling buyers and sellers to capitalize on trading opportunities.” (Office Action dated 6/9/09, page 15). Applicant maintains that the claim features are not disclosed by the references and submits that prompting, in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle is not inherently or implicitly disclosed by the combination of Goodwin, Norris, and the Herald. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with a reference.

The combination of Goodwin, Norris, and the Herald also fails to disclose

redeeming at least one of the at least one purchased share from the at least one registered investment fund ***in response to a net inflow of shares of the registered investment fund.***

(Claim 1) (emphasis added).

Goodwin does not disclose redeeming a purchased share.

Norris discloses repurchase agreements set by a fixed timeline/term: "Term is preferably overnight but may be for any term, intraday, multiple day, week, and multiple week, or other term acceptable to the issuer of the facility." (Norris paragraph [0084]).

The repurchase agreements contemplated by Norris are time dependent and therefore the redemption of a share does not follow a net share inflow.

The Examiner alleges that the Herald discloses "repurchasing the securities from a net inflow occurs [sic] and the extra liquidity is no longer required." (Office Action dated 6/9/09, page 6). Applicant respectfully disagrees and submits that the Herald does not disclose what prompts redemption or repurchase - it only describes avoiding a liquidity shortage. The Herald's silence regarding the redemption of shares or termination of repurchase agreements leaves the combination of references with the disclosure from Norris that the repurchase agreements set by a fixed timeline/term. Should the Examiner maintain this rejection, applicant respectfully requests further explanation of what the Examiner alleges is disclosed by the Herald.

The Examiner alleges that repurchase agreements "are used for meeting short term liquidity needs, and are reversed or 'undone' when there is an inflow of cash and the need for liquidity no longer exists." (Office Action dated 6/9/09, page 15). Applicant submits that this is not disclosed in the references cited by the Examiner. Applicant respectfully submits that the Examiner's allegation of obviousness has no support in the

references cited. The combination of references only teaches the termination of a repurchase agreement based upon a fixed timeline - not in response to a net inflow of shares of the registered investment fund. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with a reference.

Accordingly, applicant respectfully submits that the rejection of claim 1 has been overcome.

Given that claims 2, 3, and 5-14 are dependent claims with respect to claim 1, either directly or indirectly, and include additional limitations, applicant submits that claims 2, 3, and 5-14 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin, Norris, and the Herald.

Claims 15-18, 20, and 22-23 stand rejected based upon the same art and rationale as claims 1-3 and 5-14. While claims 15-18, 20, and 22-23 differ from claims 1-3 and 5-14, they recite similar features to those argued above. Accordingly, applicant respectfully submits that claims 15-18, 20, and 22-23 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin, Norris, and the Herald for at least the reasons discussed above.

CONCLUSION

Applicant respectfully submits that in view of the amendments and arguments set forth herein, the applicable objections and rejections have been overcome. Applicant reserves all rights under the doctrine of equivalents.

Pursuant to 37 C.F.R. 1.136(a)(3), applicant hereby requests and authorizes the U.S. Patent and Trademark Office to (1) treat any concurrent or future reply that requires a petition for extension of time as incorporating a petition for extension of time for the appropriate length of time and (2) charge all required fees, including extension of time fees and fees under 37 C.F.R. 1.16 and 1.17, to Deposit Account No. 02-2666.

Respectfully submitted,

BLAKELY, SOKOLOFF, TAYLOR & ZAFMAN LLP

Date: September 9, 2009

/Ryan W. Elliott/

Ryan W. Elliott
Reg. No. 60,156

1279 Oakmead Parkway
Sunnyvale, CA 94085-4040
(408) 720-8300
Customer No.: 08791